

## Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00  
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O R 300750Z APR 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 3078

INFO AMCONSUL BOMBAY

IAEA VIENNA 0485

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E.O. 11652: N/A

TAGS: TECH, PFOR, IN, US

SUBJECT: PRESS TREATMENT OF U.S. NUCLEAR SUPPLY POLICY

1. THREE DELHI NEWSPAPERS ON APRIL 30 CARRIED STORIES BY THEIR WASHINGTON CORRESPONDENTS ON THE ADMINISTRATION'S NUCLEAR NON-PROLIFERATION ACT OF 1977 AND ITS POTENTIAL IMPLICATIONS FOR INDIA. ALL WERE DATED APRIL 29.

2. "HINDUSTAN TIMES" ARTICLE ON ITS OP-ED PAGE IS A MORE OR LESS FACTUAL ACCOUNT OF THE LEGISLATION. THE CORRESPONDENT WROTE THAT THE MAIN ADVANTAGE OF THE BILL WILL BE TO "CUT THROUGH THE CONFUSION AND ARBITRARINESS" THAT HAD BLOCKED FUEL SHIPMENTS TO TARAPUR. HE IMPLIED THAT REDUCING THE AUTONOMY OF THE NRC WILL BE TO INDIA'S ADVANTAGE. ANOTHER ATTRACTIVE FEATURE OF THE BILL IS THAT IT GUARANTEES CONTINUOUS SUPPLY OF FUEL DURING THE RENEGOTIATION OF EXISTING AGREEMENTS. THE CORRESPONDENT INTERPRETED THE IMPLICATIONS FOR INDIA AS FOLLOWS:

"AS LONG AS INDIA DOES NOT DETONATE ANOTHER NUCLEAR DEVICE", NOR "TERMINATE NOR ABROGATE IAEA SAFEGUARDS", NOR "MATERIALLY VIOLATE AN IAEA AGREEMENT OR THE PROVISIONS OF ITS AGREE-

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MENT WITH THE U.S., CONTRACTED SUPPLIES OF NUCLEAR FUEL WILL BE DELIVERED." HOWEVER, BEFORE RENEGOTIATING ITS AGREEMENT WITH THE U.S., INDIA SHOULD CONSIDER SEVERAL POINTS: (1)

"THE PRESENTLY ACADEMIC QUESTION ABOUT INDIA'S RIGHT TO EXPLODE A NUCLEAR DEVICE FOR STRICTLY PEACEFUL PURPOSES."

(2) "THE PROBLEM OF STORING SPENT FUEL AT TARAPUR IS ALREADY ACUTE", BUT "THE NEW AGREEMENT THE U.S. SEEKS WILL PROHIBIT

REPROCESSING." (3) "THE QUESTION OF INDIAN SOVEREIGNTY OVER NUCLEAR MATERIAL AND EQUIPMENT NOT SUPPLIED BY THE U.S."

3. IN A FRONT-PAGE STORY IN "THE STATESMAN", WARREN UNNA WROTE THAT THE U.S. POLICY TOWARD NON-PROLIFERATION HAS PLACED IT IN THE "AWKARD POSITION OF TRYING TO SHUT THE BARN DOOR AFTER THE HORSES HAVE BEEN STOLEN". HE WROTE THAT THE LEGISLATION "SEEMS TO GIVE INDIA MOMENTARY RELIEF" IN THE SUPPLY OF FUEL TO TARAPUR. HOWEVER, IN THE LONGER TERM "THE POLICY SEEMS TO PROMISE AN EVENTUAL CUTOFF OF REFUELING SHIPMENTS UNLESS INDIA CONFORMS TO TWO U.S. STANDARDS WHICH SHE HERETOFORE HAS FOUND UNACCEPTABLE". THESE ARE: (1) SIGNING THE NPT "WHICH MEANS FORESWEARING FOR ALL TIME ANY MILITARY DEVELOPMENT OF THE ATOM -- AN ACT WHICH INDIA FINDS DISCRIMINATORY AGAINST THE PRESENT-DAY NUCLEAR HAVE-NOTS". (2) PERMITTING IAEA INSPECTORS TO KEEP TAB ON ALL OF INDIA'S NUCLEAR FACILITIES "REGARDLESS OF WHETHER OR NOT THEY HAVE ENJOYED U.S. ASSISTANCE". UNNA CAUTIONED THAT THESE APPEAR TO BE THE IMPLICATIONS SINCE U.S. OFFICIALS ARE HARD PRESSED "TO INTERPRET THE FINE PRINT". HE CONTINUES "FOR INSTANCE, YESTERDAY ONE STATE DEPARTMENT OFFICIAL EMPHASIZED IN ONE BREATH THAT PRESIDENT CARTER'S NEW STANDARDS FOR USE OF U.S. NUCLEAR MATERIAL WERE 'NOT RETROACTIVE' TO EXISTING AGREEMENTS. AND THEN IN THE NEXT BREATH HE POINTED TO THE PRESIDENT'S ANNOUNCED INTENTION OF RENEGOTIATING EXISTING AGREEMENTS." UNNA ADDED THAT EVEN BEFORE THE PRESIDENT'S NEW POLICY WAS ANNOUNCED "ANOTHER STATE DEPARTMENT OFFICIAL WAS EXPLAINING THAT, WHILE THE LONG DELAYED ENRICHED URANIUM REFUELING FOR TARAPUR MIGHT BE APPROVED THIS TIME, THE NEXT WOULD DEPEND LIMITED OFFICIAL USE

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UPON INDIA'S FORESWEARING THE REPROCESSING OF ANY SPENT FUEL INTO THE PLUTONIUM BY-PRODUCT WHICH IS USED FOR EXPLOSIONS -- PEACEFUL OR OTHERWISE." UNNA ALSO WROTE THAT THE NEW POLICY HAS "STARTLED AND ANNOYED JUST ABOUT EVERYBODY".

4. IN A FRONT-PAGE ARTICLE ENTITLED "CARTER MOVE FOR N'SANCTIONS A CHALLENGE TO INDIA", "TIMES OF INDIA" CORRESPONDENT M.V. KAMATH TERMED THE NEW POLICY "THE FIRST REAL CHALLENGE TO THE JANATA GOVERNMENT VIS-A-VIS THE U.S.", "AN UNAMBIGUOUS ATTEMPT TO COMPEL INDIA TO FALL IN LINE WITH WASHINGTON'S BID TO CLOSE THE DOOR TO THE NUCLEAR CLUB", AND "AN EXERCISE AT ARM-TWISTING INDIA, THE RESPONSE TO WHICH MAY DETERMINE FUTURE INDO-AMERICAN RELATIONS". AFTER A BRIEF EXPLANATION OF THE IAEA SAFEGUARDS PROVISION, HE WROTE THAT INDIA HAS NO INTENTION OF ABROGATING IAEA SAFEGUARDS AND PM DESAI "HAS STATED THAT INDIA IS NOT INTERESTED IN MAKING NUCLEAR WEAPONS, BUT WHETHER HE WILL BE COMPELLED TO ADMIT IT IN WRITING IN A FORMAL AGREEMENT REMAINS THE CRUX OF THE QUESTION". KAMATH THOUGH THAT THE U.S. WOULD RELEASE THE NEXT SHIPMENT

FOR TARAPUR IF ONLY TO CREATE A FAVORABLE CLIMATE FOR RENEGOT-  
ISTING THE AGREEMENTS. HOWEVER, THE PRINCIPLES UNDERLYING THE  
NEW AGREEMENTS "COULD BE CONSTRUED AS AN INFRINGEMENT OF INDIA'S  
SOVEREIGNTY". KAMATH ALSO REFERRED TO JODY POWELL'S PRESS  
CONFERENCE: "WHEN MR. POWELL WAS ASKED WHAT THE CARTER  
ADMINISTRATION WOULD DO SHOULD IT FAIL IN PERSUADING INDIA  
TO TOE THE WASHINGTON LINE, HE POINTED OUT THAT THE BILL  
PROVIDED OPTIONS TO THE PRESIDENT BUT THAT, IN ANY CASE,  
THE U.S. OUGHT TO RENEGOTIATE RATHER THAN ABROGATE A CONTRACT.  
'I AM NOT TRYING TO PREJUDGE WHAT ACTION WILL BE TAKEN', MR.  
POWELL ADDED."

5. NO OTHER NEW DELHI PAPERS CARRIED ARTICLES ON U.S.  
NUCLEAR POLICY. WE ARE POUCHING COPIES OF THE THREE ARTICLES.  
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## Message Attributes

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